



Financial
Statements



NATIONAL AUDIT OFFICE

OPINION

The National Audit Office of Uruguay has audited the individual financial statements of the Banco de la República Oriental del Uruguay (BROU). Such financial statements include the Comparative Balance Sheet 2015/2014, the relevant comparative Income Statements 2015/2014, the comparative Source and Use of Funds Statement and the Statement of Changes in Equity for the year ended on Dec.31/2015, as well as their Annexes and Notes on significant accounting policies, and other explanatory notes on the financial statements.

The National Audit Office shall also refer to any non-compliance by BROU with existing legal provisions, if detected under auditing procedures.

Management's Responsibility for the Financial Statements

BROU Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards, credit risk ratings and appraisal criteria issued by the Central Bank of Uruguay (BCU) and Ordinance No. 81 of the National Audit Office. This responsibility includes designing, implementing and maintaining an appropriate internal control system for the preparation and fair presentation of financial statements free from material misstatements -whether due to fraud or error-, selecting and applying appropriate accounting policies, and making reasonable accounting estimates in the circumstances.

Auditor's Responsibility

The National Audit Office's responsibility is to express an audit-based opinion on these financial statements. We conducted this audit in accordance with the Fundamental Auditing Principles (ISSAI 100 and 200) and the Financial Audit Guidelines (ISSAI 1000-1810) of the International Organization of Supreme Audit Institutions (INTOSAI). These

standards require that we comply with ethical requirements and that we plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

An audit involves performing procedures to collect evidence about the accounting amounts and disclosures. The procedures selected depend on the auditor's professional judgment, including the assessment of risk of material misstatements in the financial statements, whether due to fraud or error. In making risk assessments, the auditor considers the entity's internal controls relevant to the preparation and fair presentation of the financial statements, in order to design appropriate audit procedures, not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the presentation of the financial statements as a whole.

We consider that the audit evidence collected provides us with a reasonable basis to state our opinion.

Opinion

In the opinion of the National Audit Office, the financial statements referred to above present fairly, in all material respects, the financial position of BROU as at Dec. 31/2015, as well as the results of its transactions and cash flows for the fiscal year then ended, in conformity with the accounting standards issued by the Central Bank of Uruguay (BCU) and the provisions of Ordinance No. 81 of the National Audit Office.

With regard to the existing laws and regulations related to the financial statements examined during the course of the audit, we have found no violation thereof.

Montevideo, July 6, 2016

Olga Santinelli Taubner, CPA
Secretary General



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Independent auditors' report

To the Board of Directors of
Banco de la República Oriental del Uruguay (BROU)

The accompanying summary separate financial statements (expressed in thousands of U.S. dollar), which comprise the summary balance sheet as at December 31, 2015, the summary income statement for the year then ended, and related notes, are derived from the audited financial statements of Banco de la República Oriental del Uruguay for the year ended December 31, 2015. We expressed an unmodified audit opinion on those financial statements in our report dated March 28, 2016. The report also includes one explanatory paragraph that is described under the title "Other matter". Such financial statements and the aforementioned report are included in the Registro de Estados Contables Auditados del Banco Central del Uruguay (Register of Audited Financial Statements of the Central Bank of Uruguay), published in the Central Bank of Uruguay' web page.

The summary financial statements do not contain all the disclosures required by the presentation, valuation criteria and risk classification standards issued by the Central Bank of Uruguay. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Banco de la República Oriental del Uruguay.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Notes.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagement to Report on Summary Financial Statements".


Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Banco de la República Oriental del Uruguay for the year ended December 31, 2015 are consistent, in all material respects, with those financial statements, on the basis described in Notes.

Other matter

Our audit also included the translation of the uruguayan pesos amounts into U.S. dollar amounts in the summarized financial statements and, in our opinion, such translation has been made in conformity with the basis stated in the header of each financial statement, and are presented solely for the convenience of readers outside Uruguay.

March 28, 2016


Juan José Cabrera
Partner, Deloitte S.C.



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**BALANCE SHEET**

As of December 31, 2015

Amounts in thousands of US Dollars / Exchange Rate: \$ 29,873 / USD 1

ASSETS	
Assets	15,122,346
Cash on Hand	3,522,458
Investment Securities	2,936,129
Credits (Net of Provisions)	8,253,155
Outstanding from Financial Intermediation	8,018,750
Financial Sector	3,199,390
Non-Financial Sector	4,819,360
Forward Contracts	59,095
Overdue Credits	57,168
Sundry Credits	118,142
Investments	197,786
Fixed Assets	170,601
Intangible Assets	42,217
LIABILITIES	
Liabilities	13,889,454
Liabilities	13,889,454
From Financial Intermediation	13,471,426
Financial Sector	290,422
Non-Financial Sector	13,181,003
Forward Contracts	58,621
Sundry Liabilities	174,549
Other Liabilities	66,282
Provisions	118,577
EQUITY	
Equity	1,232,892
Paid-in Capital	777,956
Adjustments to Equity	169,803
Reserves	120,245
Retained Earnings	13,703
Net Income of the Year	197,818
Profit in Advance	(46,634)
TOTAL LIABILITIES AND EQUITY	15,122,346
CONTINGENT ACCOUNTS RECEIVABLE	598,734
MEMORANDUM ACCOUNTS RECEIVABLE	17,826,694



INCOME STATEMENT
from 01/01/15 - 12/31/15

Amounts in thousands of US Dollars / Exchange Rate: \$ 29,873 / USD 1

Financial Gains	826,052
From Performing Credits from Financial Intermediation	644,856
Financial Sector	105,224
Non-Financial Sector	539,632
From Revenues, Readjustment and Exchange Rate Differences of Investment Securities	143,873
From Liabilities Readjustments	2,500
From Forward Contracts	1,775
From Overdue Credits	33,047
Financial Expenses	(151,901)
From Liabilities	(80,853)
Financial Sector	(5,284)
Non-Financial Sector	(75,569)
From Readjustments and Exchange Rate Differences of Investment Securities	(59,623)
From Credits Adjustments	(9,582)
From Forward Contracts	(1,843)
FINANCIAL MARGIN BEFORE PROVISIONS AND EXCHANGE RATE DIFFERENCES	674,151
Gains for Foreign Exchange Difference in Valuation of Assets and Liabilities from Financial Intermediation	98,487
FINANCIAL MARGIN BEFORE PROVISIONS	772,638
Provisions	(87,573)
Decrease of Provisions and Credit Revaluation	1,152,809
Increase of Provisions and Credit Devaluation	(1,240,382)
FINANCIAL MARGIN	685,064
Revenues for Services	86,558
Expenses for Services	(12,140)
MARGIN FOR SERVICES	74,418
Other Gains for Exchange Rate Differences	43,255
GROSS PROFIT	802,737
Operative Gains	31,831
Gains for Sundry Credits - Residents	221
Investments in Local Equity Securities	13,196
Branches Abroad	6,982
Revenues	220
Other Gains - Residents	10,572
Inflation Adjustment	641
Operating Expenses	(582,362)
Wages and Social Charges	(287,558)
Insurances	(651)
Depreciations	(17,856)
Taxes, Charges and Contributions	(45,550)
Other Operating Expenses	(99,721)
Other Expenses	(30,827)
Investments in Local Equity Securities	(605)
Branches Abroad	(1,752)
Inflation Adjustment	(97,732)
Sundry Liabilities	(109)
OPERATING MARGIN	252,207
Extraordinary Income	176
Adjustment to Previous Years' Income	(3,248)
INCOME BEFORE INCOME TAX	249,134
Income Tax	(51,316)
NET INCOME OF THE YEAR	197,818